CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM BOARD OF ADMINISTRATION HEALTH BENEFITS COMMITTEE MEETING MINUTES

September 16, 2008

The Health Benefits Committee met on Tuesday, September 16, 2008, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 10:45 a.m. with the following members present:

Priya Mathur, Chair
George Diehr, Vice Chair
Ruth Holton-Hodson representing John Chiang
Rob Feckner
Debbie Endsley representing David Gilb
Henry Jones
Tricia Wynne representing Bill Lockyer
Tony Oliveira
Anne Sheehan

Other Board members present:

Kurato Shimada

AGENDA ITEM 2 – APPROVAL OF AUGUST 19, 2008, HEALTH BENEFITS COMMITTEE MEETING MINUTES

The August 19, 2008, Health Benefits Committee meeting minutes were approved as presented.

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, introduced the new Chief of the Office of Health Plan Administration, Ellen Badley.

AGENDA ITEM 3A - PURCHASE OF MEDICARE PARTS A AND B

As an information item, Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, provided information regarding CalPERS retirees aged 65 and older who are enrolled in a basic health benefits plan and the cost/benefit analysis of moving retirees currently enrolled in a basic plan to a Medicare plan. If the Committee decides to pursue transferring Medicare-age retirees in basic plans to Medicare plans, the next steps include: determining which groups to transfer; investigating state and public agency funding mechanisms for Part A and Part B payments to CMS; identifying necessary legislation, regulatory, or policy changes required; and, considering implementation for the 2010 rate year.

AGENDA ITEM 3B – HEALTH AND DISEASE MANAGEMENT INITIATIVE

This item was withdrawn.

AGENDA ITEM 3C – HEALTH CARE DECISION SUPPORT SERVICES TREND INFORMATION

As an information item, Kathy Donneson, Manager, Office of Health Policy and Program Support, and Doug Shaw, Vice President and General Manager, Thomson Reuters, presented a new Health Benefits Program Report based on member claims data from CalPERS' Healthcare Decision Support System (HCDSS). The purpose of the report is to provide the Health Benefits Committee with a standard set of health benefits program measures to inform future initiatives and key decisions.

Neal Johnson, SEIU Local 1000, spoke on this item.

AGENDA ITEM 5A - BLUE SHIELD OF CALIFORNIA 2010 PROPOSALS

As an information item, Tom McCaffrey, Blue Shield of California, provided an overview of three proposals for potential 2010 implementation: a comprehensive Wellness Initiative; a Group Medicare Advantage Part D Product; and, a new Pharmacy Mail Order Incentive Program. The three proposals are currently being developed by Blue Shield for potential 2010 implementation by CalPERS.

AGENDA ITEM 10 - ASSISTANT EXECUTIVE OFFICER REPORT

Gregory Franklin, Assistant Executive Officer, Health Benefits Branch, had no items to report.

AGENDA ITEM 11 – PROPOSED AGENDA FOR OCTOBER 21, 2008, HEALTH BENEFITS COMMITTEE MEETING

The proposed October 21, 2008 Health Benefits Committee agenda was accepted with the addition of an agenda item regarding the purchase of Medicare Parts A and B.

AGENDA ITEM 12 – PUBLIC COMMENT

There was no public comment.

The next meeting of the Committee is scheduled for October 21, 2008, in San Luis Obispo, California, following adjournment of the Benefits and Program Administration Committee.

Kenneth W. Marzion
Interim Chief Executive Officer